

CALFED Bay-Delta Program



Transparency. Accountability. Performance.

ITEM 7

Revitalizing CALFED

Information Item

California Bay-Delta Authority

August 11, 2005



Water Supply Accomplishments

- Increased state's annual water supply by 574,000 acre-feet
 - Groundwater storage yield – 350,000 afy
 - Conservation – 100,000 afy
 - Water recycling – 124,000 afy
- >1 million af Groundwater Storage
- 5 surface storage projects under evaluation



Ecosystem Restoration Accomplishments

- Improved up-stream fish passage to increase salmon populations
 - 108 miles of streamside habitat restored
 - 68 new fish screens installed
 - Sacramento River salmon runs at record levels since the 1950's
- Splittail delisted
- Protected or restored 100,000 acres of habitat
- 53,000 acres of agricultural land protected
- 80% of ecosystem milestones are on or ahead of schedule



Levee Accomplishments

Increased protection of, and maintained, nearly 700 miles of Delta levees

- More than \$100 million to date on base level protection
- More than 40 miles of level improved to PL-84 standards
- Nearly 1million cubic yards of dredge material used to stabilize Delta levees



Water Quality Accomplishments

Improved water quality

- Funded source control and treatment technology
- Funded improvements in environmental water quality
- Comprehensive mercury, salinity & dissolved oxygen strategies



EWA and Science Accomplishments



- Established innovative Environmental Water Account
 - 1million acre-feet of water
- Increased the body of scientific knowledge about the Delta with the goal of integrating real-time Delta operations with sound science

What's Changed?

- CALFED envisioned as an adaptive management Program
- Since 2000, we need to adapt to:
 - Decline in pelagic fish populations
 - New information on toxics, exports & invasive species
 - More information about levee risk –seismic & climate change
 - State & federal budget deficits
 - Urban development pressures on the Delta

Governor's May Revision



3-point plan for the CALFED Program:

- 1) Independent Review
- 2) CALFED Refocusing & Program Priorities
- 3) Financing & Capital Improvements

How Processes Interrelate

Governor / Secretary of the Interior

Bay-Delta Authority / BDPAC

Independent Review

**Dept.
of Finance**

Fiscal Review
Program
Review

**Management
Consultant**

Organization &
Program Mgmt.
Review

**Little Hoover
Commission**

Governance
Review

**Refocusing
& Finance**

**Stakeholders
& Agencies**

Public Input Process

Public Process

- Monthly BDPAC and Authority Meetings
- Caucus Meetings
- Work Groups
- Regional Public Meetings
- Written Comments Encouraged
- Information available on the CALFED website

Aggressive meeting schedule

August 2005						
M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2005						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October 2005						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

NOVEMBER 2005						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

DECEMBER 2005						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

○ Authority

○ BDPAC

○ Little Hoover

BDPAC

- Make recommendations on specific issues
- Serve as public testing ground for proposals
- Forum for integration of stakeholder perspectives

Authority

- Oversee the overall process
- Adopt revised priorities and finance plan
- Consider implementation of independent review recommendations
- Consider recommendations from Little Hoover Commission

Authority Schedule

September	<ul style="list-style-type: none">• Accounting of expenditures to date• Narrow draft refocusing options• Refine costs estimates on options
October	<ul style="list-style-type: none">• Assessment of CALFED Program• Select and revise preferred option for refocused CALFED• ID funding needs & funding mechanisms
November	<ul style="list-style-type: none">• Consider recommendations from independent review• Consider recommendations from Little Hoover Com.• Recommend final option for refocused CALFED• Draft financing and capital improvements plan
December	<ul style="list-style-type: none">• Recommendations on Action Plan to the Governor on Program improvements, governance, refocused program and financing

CALFED Bay-Delta Program



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Independent Review

Independent Review Team

- Department of Finance
- Little Hoover Commission
- Independent Management Consultant - KPMG

Review Scope

- **Fiscal review**
 - Department of Finance
- **Program review**
 - Department of Finance – looking back
 - Independent Consultant – looking forward
- **Organization and Program management review**
 - Independent Consultant Selected and Onboard- KPMG
- **Governance**
 - Little Hoover Commission

Fiscal Review

- Accounting of Program appropriations, expenditures, and unappropriated balances
 - Fiscal year
 - Program elements
- State funding sources
 - General fund
 - Bond funds
 - Other funds
- Federal funding sources
- Local funding sources

Program Review

- Determine the status of the Program's implementation in terms of:
 - Goals and objectives
 - Performance measures
 - Balance among Program Elements
- In-depth analysis of selected major projects to determine fiscal and program accountability.
- Documentation on the authority for implementation decisions
- Reset timing and stakeholder expectations.

Governance Review

Governance Defined:

- Vision and Mission
- Authority
- Organizational structure
- Procedures
- Resources
- Accountability

Governance Review

Study Process:

- Interviews
- Written questions and responses
- Public discussions
- Written summaries of issues
- Public hearings
 - August 25
 - September 22
 - October 27
- Report completion: November 17

Organization and Program Management Review

- Identify key strengths and weaknesses of the Program
- Recommend specific changes to improve:
 - Priority setting and project selection
 - Decision making and transparency
 - Measuring and reporting program progress & effectiveness

Organization and Program Management Review Scope

- Background and information gathering
- Understanding and setting expectations
- Make recommendations
- Summary report

Schedule for Independent Review

September /October	Accounting of expenditures to-date, Assessment of the CALFED Program
October	Report from Dept. of Finance
November	Detailed recommendations on how CALFED should go forward
November	Recommendations on governance from Little Hoover Commission

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Refocusing & Program Priorities

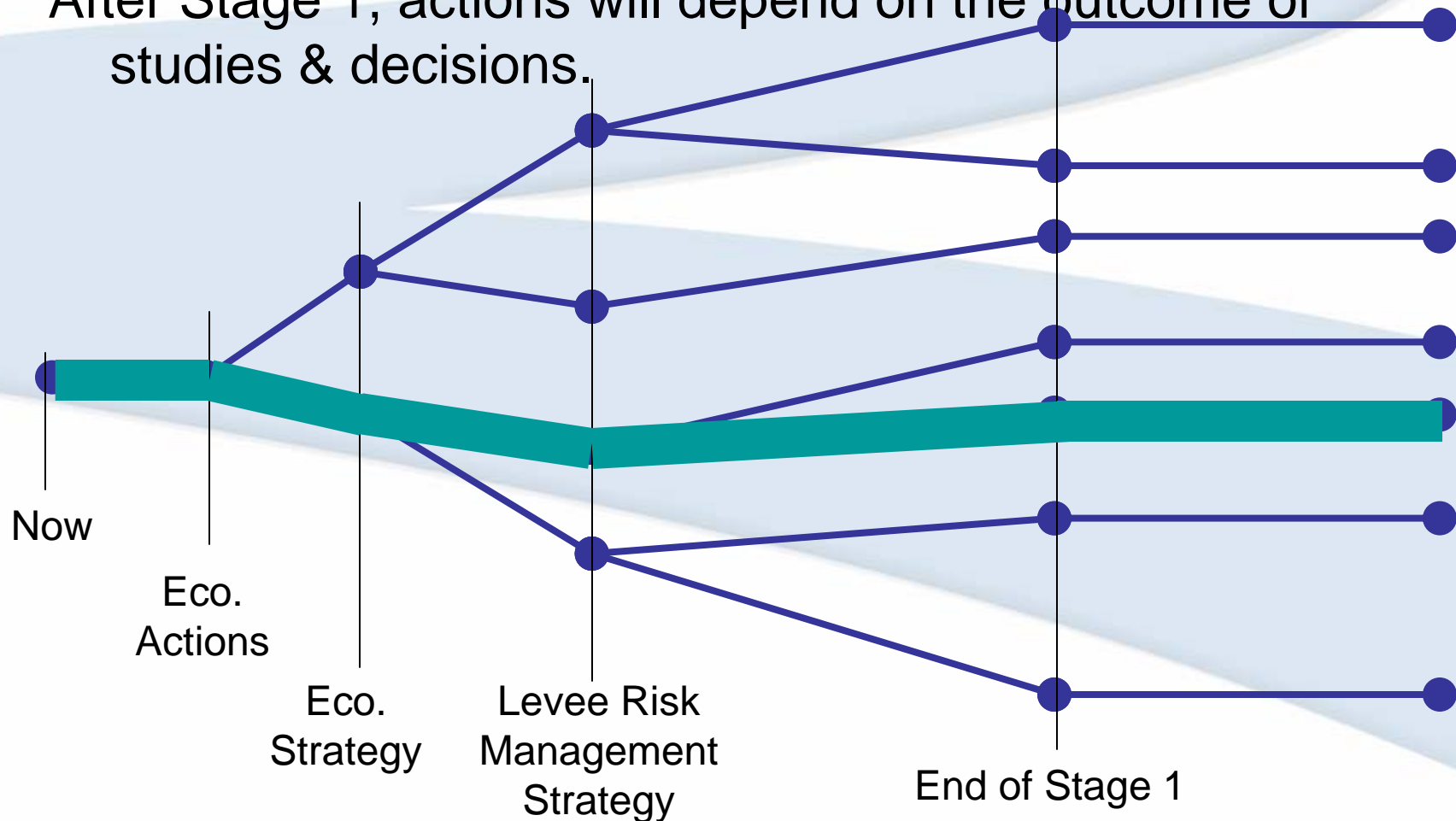
Refocusing – The Charge

*‘Program Priorities — **Re-focus** the efforts of the California Bay-Delta **Authority** and the other **CALFED state agencies** on **solving conflicts** associated with **Delta** water supply, water quality, levee stability, and the environment. Program priorities will be reinforced in a **ten-year action plan** as described below.’*

- 2005 May Budget Revision

Decisions Impact Post-Stage 1 Actions

After Stage 1, actions will depend on the outcome of studies & decisions.

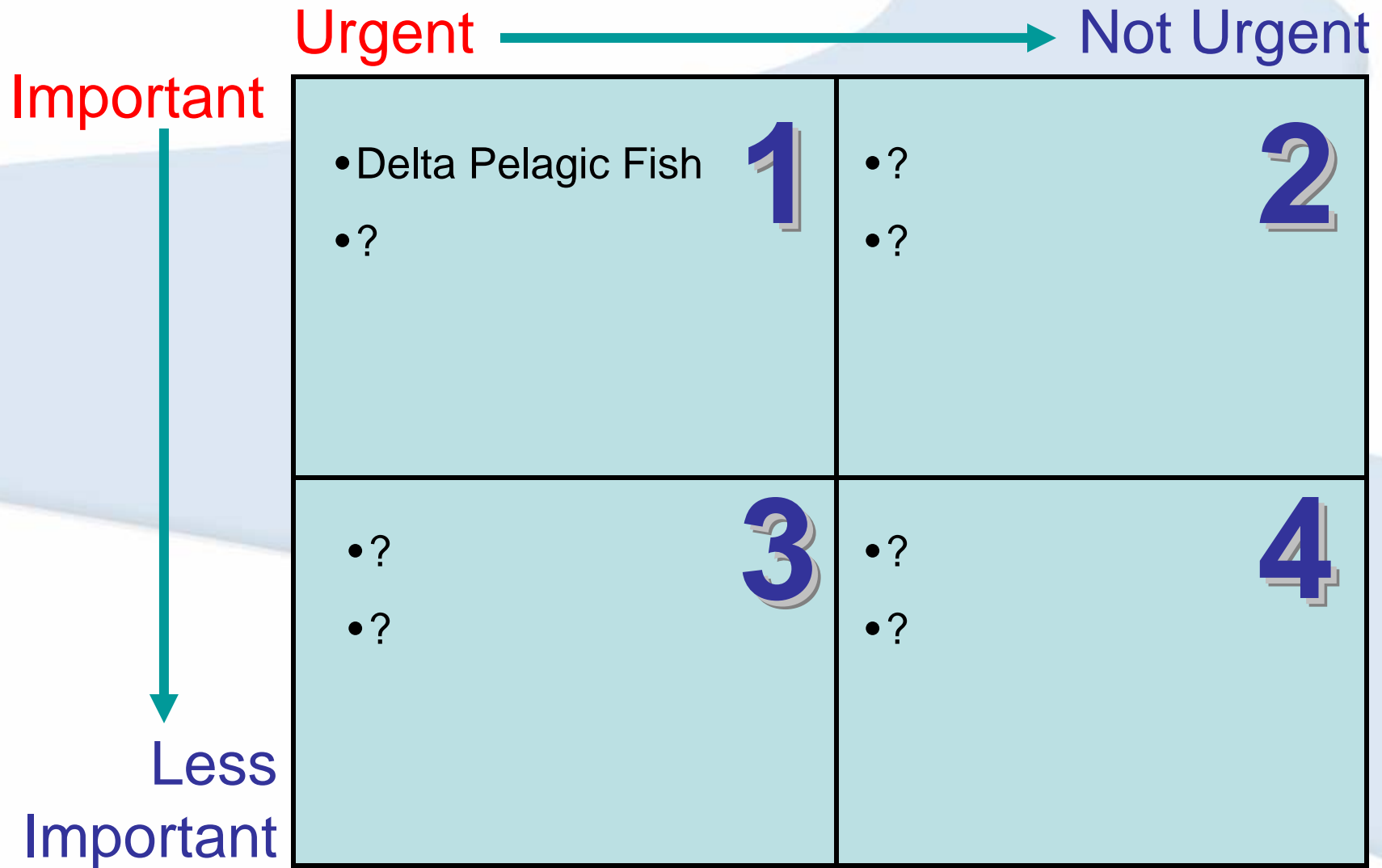


Refocusing is similar to remodeling



- In good times, planning is easy
- In rough times, planning is more difficult
- Some improvements are foundational for others
- When money is tight, plans need to be changed and/or delayed
- Some improvements are important & urgent – money must be borrowed or you take a second job to pay for them

Setting Priorities



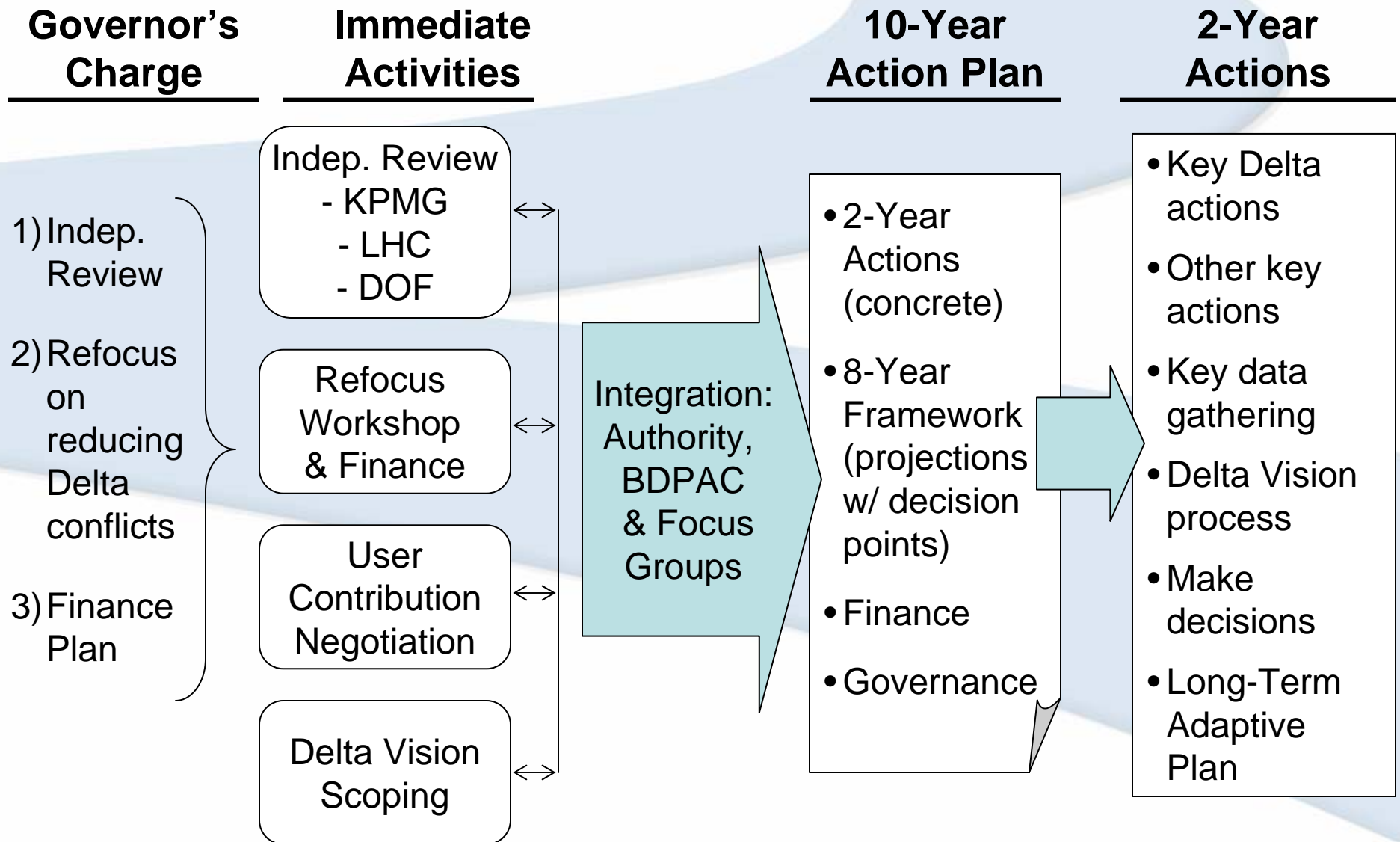
10-Year Action Plan = Two Parts

- 2-Year budget (last 2 years of Stage 1)
 - Highest priority actions
 - Specific actions
 - Program elements with most direct linkages
 - Based primarily on available funding
 - Identify unfunded critical actions
- 8-Year Action Plan
 - Extrapolate from 2-year activities – less specific
 - Specifics depend on upcoming decisions

Strategy for Moving Forward

- Focused data gathering & discussions
 - Quickly set the scene for larger groups
 - Tease out priorities & preferences
 - Frame potential options
- Hone in on several key topics
 - Description of highest priority activities
 - Preparation for Stage 1 Decisions
 - Scope of Delta Vision process (discussed later)
- Bring back to larger audiences for deliberations

Overview



Deliberations Exercise

How would you prioritize?

- Introduction to scope of challenge
 - Indication of possible solutions
 - Are people's views close or far apart?
-

- Take 10 minutes to complete
- We'll bring compiled results back for discussion

DRAFT – Prioritization Factors

Reduce Delta conflict

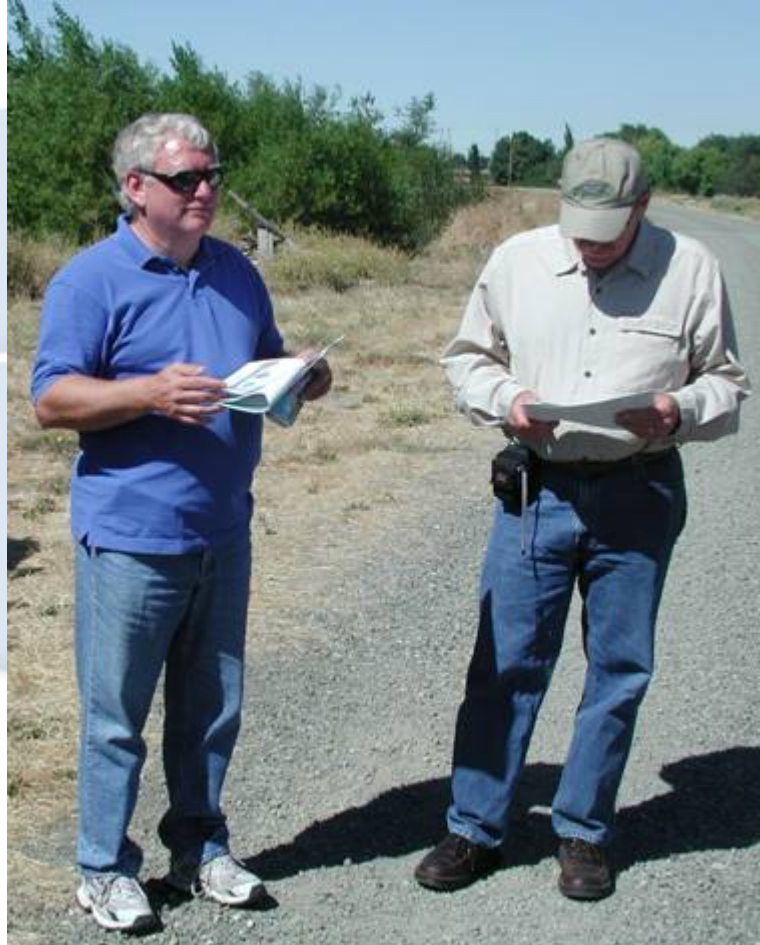
Maintain program balance

- Available funding
- Stage 1 decisions
- Lessons from last 5 Years
- ROD Commitments
- Regulatory Commitments
- Stakeholder priorities
- User contribution preferences
- Legislative priorities
- Manageable scope (not too broad)

Examples of Stage 1 Decisions

- Do we need a new approach to improving **drinking water quality**
- Should we extend the **Conservation Agreement** beyond December 2007?
- Can we continue to rely on the **through-Delta** conveyance approach
- Should we construct **surface storage** facilities?
- Do we need a new approach to improving Delta **Levees**?
- Do we need a new approach to improving **Water Use Efficiency**?

Delta Visions



Proposed Delta Vision Process

Use independent scientists to weigh in on:

- Delta sustainability
- Information needs
- General (2-Year) framework for developing more sustainable approach to Delta resource management?
- Best use of scientists in developing this sustainable & adaptive Delta Vision

Next Steps

- Work group on near-term priorities
 - Convene technical work group in late-August to frame potential options
 - Convene public workshop following September BDPAC meeting
- Delta Vision Scoping
 - Frame questions & charge
 - Engage independent scientists
 - Preliminary findings by late-October

Schedule for Refocusing & Priority Setting

September	<ul style="list-style-type: none">• Year 6 Program Plans• Criteria & factors that influence priorities• Stage 1 priorities & duration
October	Preliminary report from Science Program on long-term Delta strategic plan
November	Draft recommendations
December	Final recommendations

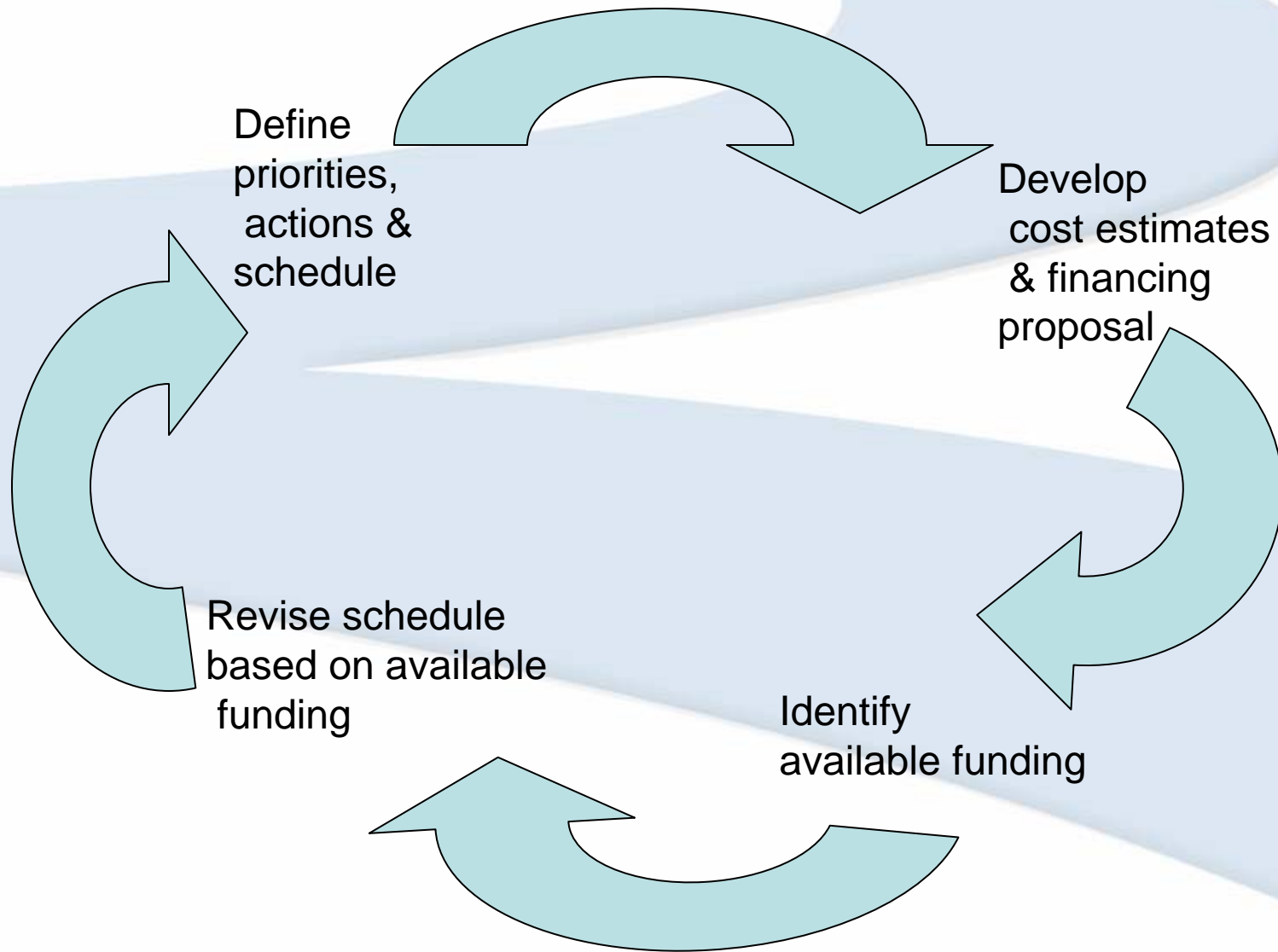
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Financing & Capital Improvements

Finance & Refocusing Linkage



Finance Process

August – October	<ul style="list-style-type: none">• Initial costs estimates• ID funding needs near-term & longer term• Public discussions on benefits, beneficiaries, & funding mechanisms
November	Draft 10 year action Plan
December	Final 10 year action plan

User Contributions for ERP & EWA

- Objective: Determine user contributions for EWA and ERP based on user benefits
- Principal Parties:
 - Fish and wildlife agencies
 - Reclamation and DWR
 - Water agencies/ contractors
 - Representatives from environmental groups

User Contributions for ERP & EWA Organization

- Principals
- Drafting Team
- Technical Teams
 - Project Description, Costs, & Scheduling Team
 - Benefits Analysis & Financing Team
 - Regulatory Commitments Team
 - Management Team

User Contributions for ERP & EWA Process

- Meetings with Principals and interested parties
- Reporting monthly to CBDA & BDPAC
- Link information with Refocusing effort
- Timeframe: Frequent meetings as needed starting in August thru mid-November
- Outcomes included in Governor's Proposed Budget for FY 2006-07